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### III. ADMINISTRATIVE AND PROGRAM EXPECTATIONS

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Agencies applying for these funds must have the administrative ability to immediately manage State grant funds and the technical expertise to successfully implement the proposed project activities. It is the experience of CDHS/TCS that some applicants are unfamiliar with state procedures, requirements, and expectations. The following information is provided in order that the prospective applicants might assess their ability to enter into a binding contract agreement with CDHS/TCS.

1. Grantees (funded agencies) are to expend funds in accordance with the negotiated line item budget. If changes in line items, salary ranges, or staffing patterns need to be made, the grantee must request a budget revision or a contract amendment depending on what in the budget needs to be changed. It is up to the discretion of CDHS/TCS whether or not to approve the requested budget revision or contract amendment.
2. Grantees are reimbursed in arrears for actual expenses, which means the agency or individual incurs expenses and is then reimbursed by CDHS/TCS. The grantee submits a monthly invoice for expenses incurred in the previous 30 days and then the State has up to 30 days to pay certified small businesses and up to 45 days to pay others. This means that the grantee must be able to cover at least 45 to 60 days worth of project payroll, indirect and operating expenses, and any expenses incurred by a subcontractor or consultant prior to reimbursement by the State. Additionally, grantees are to submit invoices to CDHS/TCS in a timely manner to ensure: 1) prompt payment of expenses; and 2) cash flow maintenance.
3. Grantees are expected to contact CDHS/TCS if they are having difficulties implementing the SOW or need to make changes in the approved activities. The agency must be aware that it is legally bound to deliver the services as stated in the SOW. This includes serving the number of people identified, conducting the stated number of activities, developing the identified educational materials, etc. If changes need to be made in the SOW, the grantee must contact CDHS/TCS to discuss the issue and request a SOW revision or contract amendment. It is up to the discretion of CDHS/TCS whether or not to approve the request. **If grant deliverables, including Progress Reports, are not completed satisfactorily, CDHS/TCS has the authority to withhold and/or recover payment of funds.**
4. Grantees are expected to refer to and comply with the Competitive Grantees Administrative and Policy Manual available at <http://www.dhs.ca.gov/tobacco/html/funding.htm#rfa07-100>. This manual is referenced in the contract and, as such, is a contract document. The manual will be made available to successful applicants.
5. Grantees are to be knowledgeable of standard payroll practices including State and Federal tax withholding requirements.

6. Grantees are to maintain accounting records that reflect actual expenditures including, but not limited to: accounting books, ledgers, and documents; payroll records, including signed timesheets, etc.; follow standard accounting procedures and practices that properly reflect all direct and indirect expenses related to this grant. These records shall be kept and made available for three (3) years from the date of the final grant payment.
7. Grantees are to obtain an annual single organization-wide financial and compliance audit. CDHS/TCS will reimburse the grantee for its proportionate share of the audit expense.
8. Grantees are required to obtain approval from CDHS/TCS prior to being reimbursed for any purchase order, subcontract, or consultant agreement. Subcontract agreements or consultants must be identified to determine if a subcontract agreement package will be required or waived by CDHS/TCS. Three (3) competitive bids are required as well as other documentation of the bid process. The agency may be required to submit this information to CDHS/TCS for approval prior to reimbursement of such expenses.
9. Grantees are to have a procedure in place designating a person within their agency or organization who has authority to sign payroll time sheets, requisitions, and invoices.
10. Grantees are to maintain accurate records regarding program implementation, which document the number of people served, materials developed, activities conducted, etc. It is expected that these documentation records may include, but will not be limited to logs, sign-in sheets, meeting minutes, survey and evaluation data, etc. It is recommended that the grantee set up documentation files by objective or major activities. Planning minutes, media outreach, and sign-in sheets, etc., should be filed in the objective-specific file as activities are completed.
11. Grantees are to have adequate personnel to submit to CDHS/TCS timely, accurate, and complete progress reports every six (6) months using the forms and format provided by CDHS/TCS.
12. Grantees are to have adequate personnel to insure timely submission of accurate invoices and maintain the fiscal integrity of the grant.
13. Grantees and all subcontractors should be aware that the State shall be the owner of all rights, title, and interest in, but not limited to, the copyright to any and all works created, produced, or developed under a contract funded from this RFA, whether published or unpublished. Appendix E contains the specific language that will be incorporated into the boilerplate language of the contract funded by CDHS/TCS. Successful applicants must comply with the intellectual property rights language. Review Appendix E carefully. Changes to this language will **not** be negotiated at any time during the RFA process nor with the funded applicant.

14. Grantees are to be aware that travel and per diem rates must not exceed those amounts paid to State non-represented employees. Additionally, out-of-state travel is not reimbursable without prior written approval by CDHS/TCS. Refer to Appendix G.
15. Grantees are expected to hire program, evaluation, and fiscal/administrative staff with the appropriate training and experience to fulfill all program grant related deliverables as well as to fulfill payroll, accounting, and administrative procedures.
16. Grantees are to be aware that CDHS/TCS may withhold payment of invoices for lack of documented and/or timely progress, as well as any apparent non-compliance with contract requirements.
17. Grantees must adhere to their own agency's information security policies. In addition, the grantee must follow the CDHS/TCS Policy Manual, Information Security Policy #5. This policy outlines CDHS/TCS requirements established to address information security and extends to all CDHS/TCS personnel, contractors, vendors, clients, and customers.
18. Grantees are to be aware that under the Information Practices Act (Civil Code, Section 1798-1798.70), personal information may not be disclosed in a manner that identifies individuals unless authorized by law. Confidential data needs to be protected from unauthorized access or disclosure.